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C O N F I D E N T I A L SECTION 01 OF 02 RIGA 000507

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STATE FOR EUR/OHI (J BECKER), DRL/SEAS (G RICKMAN)

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TAGS: [PHUM](#) [PREL](#) [SOCI](#) [LG](#)

SUBJECT: LATVIA BACKPEDALING ON JEWISH PROPERTY RESTITUTION  
LEGISLATION

REF: A. 06 RIGA 924

[1](#)B. 06 RIGA 921

[1](#)C. 06 RIGA 959

Classified By: Ambassador Catherine Todd Bailey for Reason 1.4(d)

[1](#)1. (C/NF) Summary. We recently met with members of the Latvian Jewish Community as well as the Government of Latvia to gauge progress on Jewish property restitution legislation. Local Jewish community leaders stated that they have reached a dead end and are now turning to the international community "to take the lead." The GOL says that it no longer embraces the heirless private property portion of the draft legislation agreed to last year--due to "legal concerns" that a portion of the legislation is inconsistent with prior denationalization laws and could set a precedent for other minority groups in Latvia. The GOL is now only willing to consider the communal property portion of the legislation, and that on a "case by case" basis. This was the first time that the GOL explicitly backpedaled on the heirless private property portion of the legislation, and the GOL's explanations appear to be cover for what is a pure political decision that reflects the firm opposition of Latvian oligarch Andris Skele to this legislation. End Summary.

[1](#)2. (C/NF) On July 5, PolEconOff met with Arkady Suharenko, Chairman of the Latvian Council of Jewish Communities, to discuss the state of stalled Jewish property restitution legislation in Latvia (ref C) and consider steps forward. Suharenko stated that the local Jewish community has been unable to overcome political opposition to the legislation and has exhausted all channels available to it locally. Though clearly a bit reluctant to discuss the issue, Suharenko observed matter-of-factly that the exact reason that property restitution has stalled is due to the opposition of one man--Andris Skele, a Latvian oligarch and eminence grise of the ruling coalition's People's Party. In a magazine interview in May, Skele quoted (but would not name) a supposed representative of the Jewish community as stating that the draft legislation is "the law of modern marauders" and the "Jews of Latvia do not need this law." Skele also stated in this interview that those pushing for this legislation are "not the friends of Latvia." Until Skele changes his views on the matter, Suharenko is convinced that Jewish property restitution legislation will not move ahead. Within this context, the local community is bringing in the international Jewish community to "give new blood" to the effort and "take the lead."

[1](#)3. (C/NF) PolEconOff asked Suharenko if he believes that meetings between Skele and representatives of the international Jewish community would help. Suharenko, with extreme reticence, stated that his sole recommendation would be that "the General Prosecutor of Latvia become involved"--implying that, since Skele's oligarch's hands are

so dirty, he should be brought to heel under the law and his influence diminished.

14. (C/NF) In an earlier meeting with Dmitry Tsymbur, a young leader in the Jewish community, A/DCM heard similar points. Tsymbur stressed that the local community was not walking

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away from the issue but felt it needed outside help. He pointed to the election of Valdis Zatlers as president as evidence that Skele was on the ascendency and local forces could not stop his opposition to the legislation. (Comment: Zatlers, a political neophyte, has been criticized by some in the press as a "puppet" for Skele.) Tsymbur made clear that they had no evidence that Zatlers himself was an obstacle, but the community viewed his alleged ties to Skele as meaning he would not be helpful on this question.

15. (C) Also on July 5, Acting DCM and PolEconOff met with Ambassador Gints Jegermanis, Head of Policy Planning and Ambassador at Large in the Latvian MFA, to discuss the GOL's position on the legislation. Jegermanis, the GOL's point person on holocaust issues, called us in to report on consultations with the Prime Minister's office on Jewish Property Restitution. According to Jegermanis, the GOL is no longer willing to embrace the heirless Jewish private property part of the legislation due to legal concerns that this part of the legislation is inconsistent with broader denationalization laws and could set a precedent for other minority groups. He added, however, that the GOL would consider the communal properties listed in the draft legislation on an "item-by-item basis." This was the first time that the GOL has explicitly told Post it will no longer consider the heirless property portion of the legislation. Jegermanis said that this was a political reality--there was no support for the heirless private property. He said the Latvian Embassy in DC would brief the State Department.

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A/DCM, noting he had no instructions, commented that he was glad to hear acknowledgment that this was a political decision. The legal argument didn't fly considering the lengthy debates on the draft law last year and cabinet approval. He also noted that the GOL should be prepared for the community to be skeptical. What assurances did they have that in a step-by-step process the government would follow through on all 14 communal properties.

16. (C/NF) In both this meeting and prior conversations, Ambassador Jegermanis has intimated his discomfort with the GOL's current position on this legislation. At the close of the July 5 meeting, he mentioned that "if the issue were up to me or the Latvian MFA, we would not be having these difficulties."

17. (C/NF) Comment. The local Jewish community has not given up on property restitution; its leaders have simply decided that the current political dynamic in Latvia (i.e. the opposition of Skele) is such that they see no viable way forward with the local community in the lead. As such, they are hoping that a new push from the international Jewish community (and support from the USG) will shake up the political status quo and create a dynamic for progress. The government's assertion that the property restitution legislation has been found to be inconsistent with prior denationalization legislation is clearly an attempt to find cover for what is a political decision.

18. (C/NF) Comment Continued. Looking ahead, Post and the Department need to stress to the Latvians that the decisions they are making are political ones--that a post facto argument that the draft legislation is legally flawed is nothing more than a fig leaf to cover the reality of political decisions. (Note this legislation was vetted and cleared by GOL lawyers in mid-2006.) However, Post also wishes to stress that in dealings with the GOL, USG

interlocutors must remain engaged and at least express appreciation for the fact that the GOL is maintaining dialogue on the issue and offering something of a new proposal (the idea of considering communal properties separately on a case by case basis); we do not want to let the GOL walk away from discussions entirely. In any case, the local Jewish community will likely approach any new proposals from the government with extreme skepticism, given the events in 2006 when the GOL made assurances that the legislation would be implemented after fall elections--and then failed to deliver. End Comment

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